

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 2001

Docket No. R2001-1

MOTION OF THE UNITED STATES POSTAL SERVICE
REQUESTING WAIVER OF THE COMMISSION RULES
WITH RESPECT TO CATEGORY 2 LIBRARY REFERENCES
(September 24, 2001)

By separate pleading, the Postal Service has submitted with its Request a notice regarding the master list of library references included with the filing.. The instant motion is a request for waiver, where necessary, of the Commission's procedures governing library reference practice, with respect to all Category 2 (Witness Foundational Material) library references. The relevant library references have been identified as such in the master list in the "Category" column, and are also identified below:

USPS-LR-J-4	Base Year /Roll Forward, Input Control Files (Meehan/Patelunas)
USPS-LR-J-5	Base Year/Roll Forward, Processing Documentation Reports (Meehan/Patelunas)
USPS-LR-J-6	Base Year/Roll Forward (CD-ROM) (Meehan/Patelunas)
USPS-LR-J-7	Roll Forward Test Year Volume Cost Footnotes (Patelunas)
USPS-LR-J-8	Reconciliation of FY 2000 Statement of Revenue and Expense to Audited Financial Statements and Reallocation of Expenses by Component (Tayman/Meehan)
USPS-LR-J-9	Estimated Functional Accrued Costs by Subfunctions and Cost Categories (Patelunas)
USPS-LR-J-26	Derivation of Fixed-Weight Price Indices: Express & Priority (Musgrave)

USPS-LR-J-27	Regression Materials and Data: Express & Priority (Musgrave)
USPS-LR-J-28	Before-Rates and After-Rates Multipliers and Forecasts: Express & Priority (Musgrave)
USPS-LR-J-36	SAS Programs Used in the Calculation of the CNET Premium (Pickett)
USPS-LR-J-37	SAS Programs Used in the Calculation of the DNET Distribution Key (Pickett)
USPS-LR-J-38	Calculation of Eagle, WNET and CNET Premium Factors (Pickett)
USPS-LR-J-39	Calculation of Daynet and CNET Distribution Keys (Pickett)
USPS-LR-J-40	Calculation of Alaska Air Adjustment (Pickett)
USPS-LR-J-41	SAS Programs Used in Calculation of Cost per Cubic Foot Mile for Alaska Air Adjustment (Pickett)
USPS-LR-J-42	Calculation of Alaska Highway Costs (Pickett)
USPS-LR-J-43	Calculation of Distance-related Transportation Costs (Pickett)
USPS-LR-J-44	Calculation of Cost of Eagle and WNET Daytime Operations (Pickett)
USPS-LR-J-48	Diskette of Witness Patelunas's Spreadsheets for Appendices A through B and Exhibit USPS-12A (USPS-T-12) (Patelunas)
USPS-LR-J-49	Explanation of Cost Reductions and Other Programs (Tayman/Patelunas)
USPS-LR-J-50	Rollforward Expense Factors (Tayman)
USPS-LR-J-51	Workers' Compensation Expense (Tayman)
USPS-LR-J-52	Development of Piggyback and Related Factors (Smith)
USPS-LR-J-53	Mail Processing Unit Costs by Shape (Smith)
USPS-LR-J-54	Equipment and Facility Related Costs (Smith)
USPS-LR-J-55	MODS-Based Costing, Description of Spreadsheets and SAS

Programs (Van-Ty-Smith)

USPS-LR-J-56	Programs and Electronic Input Data for Mail Processing Volume Variability Analysis (Bozzo)
USPS-LR-J-57	Diskette of Witness Meehan's Spreadsheets for Workpaper B and Exhibit 11C (USPS-T-11)
USPS-LR-J-58	First-Class, Periodicals, and Standard Mail Weight Studies (Schenk)
USPS-LR-J-59	Development of ECR Mail Processing Saturation Savings (Schenk)
USPS-LR-J-60	Letter/Card Processing Cost Models (FCM, Standard Mail, QBRM Discount, Nonstandard Surcharge, and Nonmachinable Surcharge) and BRM Fee Cost Models (Miller)
USPS-LR-J-61	Flats Mail Processing Cost Models (FCM, Periodicals and Standard Mail) (Miller)
USPS-LR-J-63	Flats Density Study (Miller)
USPS-LR-J-64	Models Supporting USPS-T-25 (Eggleston)
USPS-LR-J-65	Parcel Post and BPM Mail Processing and Window Service (Eggleston)
USPS-LR-J-66	Program Documentation for Parcel Post Cube-Weight Regression (Eggleston)
USPS-LR-J-67	Parcel Post Volume, Cubic Feet and Weight Data (Eggleston)
USPS-LR-J-68	Dropship Cost Avoidances for Standard A and Periodicals (Mayes)
USPS-LR-J-69	Cost Models Supporting USPS-T-42
USPS-LR-J-70	Rural Carrier Analysis (Kay)
USPS-LR-J-71	FY 1996-FY 2000 Rural Mail Count Data (Kay)
USPS-LR-J-72	Supporting Materials Relating to Incremental Cost Model (Kay)
USPS-LR-J-73	Calculation of Single Subclass Stop Ratios (Kay)

USPS-LR-J-92	Special Services Revenue and Volume History (Mayo)
USPS-LR-J-93	Special Services Fee History (Mayo)
USPS-LR-J-94	Fed Ex Roll Forward Adjustments (Hatfield) NOT FILED PENDING RULING ON PROTECTIVE CONDITIONS
USPS-LR-J-95	Base Year Air Volumes by Air Class Tag (ACT) (Hatfield)
USPS-LR-J-96	Estimation of Priority Mail Weight and Average Haul by Zone (Hatfield)
USPS-LR-J-100	Pallet Cost Analysis (Schenk)
USPS-LR-J-101	Ride-Along Survey (Kingsley)
USPS-LR-J-102	First-Class Mail Pricing Spreadsheets (Robinson)
USPS-LR-J-103	Priority Mail Pricing Spreadsheets (Scherer)
USPS-LR-J-106	Package Services Pricing Spreadsheets (Kiefer)
USPS-LR-J-107	Periodicals Pricing Spreadsheets (Taufique)
USPS-LR-J-108	Express Mail Pricing Spreadsheets (Mayo)
USPS-LR-J-109	Special Services Pricing Spreadsheets (Mayo)
USPS-LR-J-110	Special Services Pricing Spreadsheets (Koroma)
USPS-LR-J-111	Supporting Materials of Witness Kaneer (Kaneer)
USPS-LR-J-112	Revenue, Piece and Weight Estimate By Mail Characteristics (Loetscher)
USPS-LR-J-113	Parcel Post Weight Study (Schenk)
USPS-LR-J-114	Periodicals Entry Profile Study (Loetscher)
USPS-LR-J-115	One and Two Pound Parcel Post Volume Splits From 1/7/2001 to 3/23/2001 (Kiefer)
USPS-LR-J-116	Market Research for Ride-Along (Rothschild)
USPS-LR-J-117	Development of Delivery Costs by Rate Category for First-

Class and Standard Mail (Schenk)

USPS-LR-J-118	TY Cost Savings Estimate for Bundle Breakage Reduction for Flats Mail (Schenk)
USPS-LR-J-119	TY LOT Cost Savings Estimate for Periodicals Carrier Route Basic (Schenk)
USPS-LR-J-120	Parcel Post and Special Services Final Cost Adjustment for Delivery Confirmation (Kiefer)
USPS-LR-J-121	Certified Mail Research (Rothschild)
USPS-LR-J-122	Before-Rates Fixed Weight Indices (Tolley) :
USPS-LR-J-123	After-Rates Fixed Weight Indices (Tolley) :
USPS-LR-J-124	Data Used in Volume Forecast (Tolley)
USPS-LR-J-125	Documentation of the Volume Forecasting Model (Tolley)
USPS-LR-J-126	Step-by-Step Calculation of Volume Projections (Tolley)
USPS-LR-J-127	Data, Programs, and Results for Witness Thress's Econometric Work (Thress)
USPS-LR-J-128	Estimation of Permanent Income Elasticities (Thress)
USPS-LR-J-129	Witness Thress's Econometric Choice Trail (Thress)
USPS-LR-J-130	First-Class Mail Additional-Ounce Volume Forecasting Methodology (Robinson)
USPS-LR-J-131	Standard Mail ECR and NECR Workpapers (Hope)
USPS-LR-J-132	Standard Mail Regular and Nonprofit Workpapers (Moeller, USPS-T-32)
USPS-LR-J-133	Projection of Future Values of Internet Variables (Bernstein, USPS-T-10)
USPS-LR-J-134	Bernstein Pricing Models (USPS-T-10)
USPS-LR-J-135	Spreadsheets and Backup Materials for Witness Nieto

USPS-LR-J-136 Special Services After-Rates Volume Adjustments (Nieto)

USPS-LR-J-138 Rate Level Workpapers (Moeller USPS-T-28)

Generally, the Postal Service requests that to the extent that it could be argued that its filing does not actually or substantially comply with all of the requirements of Rule 31(b)(2) with respect to the above Category 2 library references, that those requirements be waived. This request is discussed in more specific terms below.

The intended primary purposes of the revisions to Rule 31(b)(2) after Docket No. R97-1 were to limit library references to appropriate circumstances and categories of material, and to insure that adequate information is provided to identify the contents of library references and to indicate how they relate to the case. See Order No. 1263 at 3. The Postal Service submits that, in the context of its Category 2 library references, these purposes are achieved by virtue of the historical practice regarding these types of library references, and by the information included on the master list, within this motion, within the library references themselves, and, most importantly, within the testimonies associated with these library references. Specifically, the nature of Category 2 library references is such that any need for the filing of a separate notice for each library reference, as might otherwise appear to be required by Rule 31(b)(2)(iv), is better satisfied by a comprehensive discussion, within each relevant testimony, identifying all library references relating to that testimony. Therefore, the Postal Service seeks a waiver of the portion of Rule 31(b)(2)(iv) that would otherwise appear to require a

separate notice for each Category 2 reference.¹

In terms of notice, both this document and the master list allow ready identification of the testimony with which each Category 2 library reference is associated. In this case, as in the last case, the Postal Service has sought to ensure that all testimony includes a prominently-featured discussion which identifies and explains all of the related foundational material. (The exceptions are witnesses whose testimonies are more systems-oriented, who may only have a list in their table of contents that indicate the library references associated with their testimonies.) Since parties understand the Postal Service's case by reading the testimonies of its witnesses (rather than randomly selected library references or library reference notices), it is much more useful to consolidate information regarding the contents of related library references within each testimony, rather than include it as part of a series of separate library reference notices.

Moreover, there has never been a genuine issue that these materials are appropriately filed as library references. Category 2, witness foundational material, consists of material that relates directly to the testimony of a specific witness, but which is not physically attached to the testimony. In Docket No. R2000-1, however, the practice was initiated by the Presiding Officer of requiring that all Category 2 library references be sponsored into evidence by a witness. See, P.O. Ruling No. R2000-1/13 (March 14, 2000). Presumably, that will be the practice in this proceeding as well, and

^{1/} In general, consistent with practice in the last rate case, the types of information that Rule 31(b)(2)(iv) contemplates would be provided in the library reference notice are instead being included within the preface or summary of the library reference itself. In the context of the Postal Service's initial filing, with its myriad Category 1, 2, 3, and 5 references, that approach seems most efficient, and does not appear to have created any problems in the past.

the direct testimonies of Postal Service witnesses have been prepared to facilitate that practice.

Generally speaking, witness foundational material can be filed as workpapers, or as library references. In either format, its function is the same -- to provide the appropriate foundation for receipt into evidence of the witness' testimony. In earlier years of postal ratemaking, workpapers were the predominant format used to present such background material. In more recent years, library references have gradually become more prevalent as reliance on electronic data analysis has increased, and as the Commission amended Rules 31 and 54 to require more specific and more extensive types of foundational material. For purposes of achieving the intended purpose of the rules, however, the important point is that if questions were raised whether witness foundational material were appropriately filed as library references, the obvious fallback would be to file the material as workpapers. Given the functional similarity of the two formats, it is unclear why any ratemaking participant would have a strong preference for either workpapers or library references. But, for example, when foundational material includes or consists of information in a machine-readable format, it is obvious that use of that material is facilitated if it is filed as a library reference. Therefore, the Postal Service seeks a waiver of the portion of Rule 31(b)(2)(iv)(A) that otherwise might appear to require more extensive discussion of why these materials are being submitted as library references.²

^{2/} There is no apparent need to seek a waiver of the portion of Rule 31(b)(iv)(B) regarding an indication of the category in which the reference is included, as complete information on categories is included in the Master List. Similarly, with regard to that same subparagraph, the few Category 2 references that include survey results would

Since Category 2 library references will be sponsored by the witnesses at the time they adopt the associated testimony, any potential issue of the identity of the individual taking responsibility for the material will already have been put to rest. Therefore, the Postal Service believes it unnecessary to seek a waiver of the portion of Rule 31(b)(2)(iv)(D) that might otherwise require a more extensive discussion of the authors of, or principal contributors to, the Category 2 library references. By virtue of having witnesses sponsor all Category 2 references, the purposes of Rule 31(b)(2)(iv)(H) are likewise fulfilled. Moreover, the direct association between the testimony and the library reference obviates the utility of the notice information that would otherwise be required pursuant to subsections 31(b)(2)(iv)(E) and (F). Nevertheless, the Postal Service has endeavored to explain, either in the text of the testimony, or in preface to the reference itself, or in both places, how the reference relates to the overall testimony and the materials of other witnesses. Moreover, the Postal Service believes that most (if not all) of the applicable Category 2 references include information regarding predecessor materials filed as references in previous cases, and that therefore no waiver of Rule 31(b)(2)(iv)(G) should be necessary. Similarly, as in the last case, virtually all Category 2 references include electronic versions, and therefore are in compliance with Rule 31(b)(2)(vii). Instances in which that is not the case include those in which the electronic versions already appears in another reference (e.g., J-4), those in which hand-written inputs appear (e.g., J-7), or those where the material merely documents the operations of the computer programs of electronic material provided in another

tend to have that fact reflected in the title provided in the Master List.

library reference (e.g., J-5). Lastly, with respect to Rule 31(b)(2)(v), each of the Category 2 library references should already be labeled in accordance with proper notation standards.

Wherefore, for all of the above reasons, the Postal Service respectfully requests that to whatever extent it could be argued that its filing does not actually or substantially comply with all of the requirements of Rule 31(b)(2) with respect to the above Category 2 library references, that those requirements be waived.

Respectfully submitted,,

UNITED STATES POSTAL SERVICE

By its attorney:



Eric P. Koetting

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.



Eric P. Koetting

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September 24, 2001